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COMMITTEE MEETING
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD
SPECIAL WASTE COMMITTEE

JOE SERNA, JR., CALEPA BUILDING
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2ND FLOOR
COASTAL HEARING ROOM
SACRAMENTO, CALIFORNIA

WEDNESDAY, JULY 7, 2004
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Cheryl Peace, Chair

Linda Moulton-Pattersn

Carl Washington

STAFF

Mark Leary, Executive Director

Julie Nauman, Chief Deputy Director

Eric Brown, Staff

Mitch Delmage, Supervisor, Waste Tire Diversion

Sally French, Staff

Bob Fujii, Supervisor, Tire Remediation & Engineering
Technical Services

Albert Johnson, Staff

Jim Lee, Deputy Director

Steve Levine, Staff Counsel

Selma Lindrud, Committee Secretary

Kristin Yee, Staff

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ALSO PRESENT

Russ Ahlgrim, Landowner

Ernest Briggs, Landowner

W. David Conn, Project Director, Cal Poly San Luis Obispo

Michael Harrington, B.A.S. Recycling

Joe Pozzi, Gold Ridge RDC

Don Silacci, Landowner

Leandra Swent, Southern Sonoma RCD

Barry Takallou, CRM Company

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1 PROCEEDINGS

2 CHAIRPERSON PEACE: Good morning, and welcome to
3 the first meeting of the Special Waste Committee for 2004.
4 And now that we have a full Board with the addition of our
5 two new Board members, Rosario Marin and Rosalie Mule, we
6 now can get back to having our Committee meetings.

7 As you can see, Carl Washington is not with us
8 today. So if he was here, I'm sure you'd notice this
9 Committee looks a little -- or a lot different than it did
10 last time it met in December. So I'm very pleased to have
11 Chair Linda Moulton-Patterson and Carl Washington on the
12 Committee with me. And I'm counting on you to help me out
13 with this, because this is all pretty new to me. So
14 please bear with me. And if I forget something, please
15 let me know.

16 COMMITTEE MEMBER MOULTON-PATTERSON: May I just
17 say one quick thing?

18 When we were forming the Committees, I could not
19 think of anyone that would make a better Chair of Special
20 Waste than Cheryl Peace. She has taken a real interest in
21 this area. She's really, really done a lot of work in it.

22 And, Cheryl, you're going to be a great Chair.
23 So thank you for accepting.

24 CHAIRPERSON PEACE: Thank you.

25 Before we get started, I would like to thank the

1 Used Oil staff and the Tire staff for taking time out of
2 their busy schedules last week to meet with me and give me
3 an overview of the programs. I really appreciated that.
4 It was nice to meet everyone. Just don't give me a name
5 test quite yet. And I look forward to working with you
6 all.

7 Selma, please call the roll.

8 SECRETARY LINDRUD: Moulton-Patterson?

9 COMMITTEE MEMBER MOULTON-PATTERSON: Here.

10 SECRETARY LINDRUD: Peace?

11 CHAIRPERSON PEACE: Here.

12 Okay. At this time please put your cell phones
13 and pagers on vibrate. There are a limited number of
14 agendas on the back table, and there is also speaker
15 slips. If you'd like to address the Board on an item,
16 bring your speaker slip to Ms. Lindrud seated there at the
17 table to my left in the pretty coral suit.

18 Linda, do you have any ex partes?

19 COMMITTEE MEMBER MOULTON-PATTERSON: No, I don't.
20 I'm up to date.

21 CHAIRPERSON PEACE: I'm up to date also.

22 So I believe that brings us to our Director's
23 report. And now we'll hear from Mr. Lee.

24 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

25 Good morning. Good morning, Madam Chair. I'm glad to see

1 the reconstituted Special Waste Committee, and ready to
2 take care of some business.

3 Only one brief item on my Deputy Director's
4 report this morning. Again, just to advise you or just to
5 remind you of the workshop that we're holding this
6 afternoon on the Tire Product Commercialization Grant
7 Program. This is a workshop requested by some of the
8 Board members, again, to elicit feedback and response from
9 the regulated community on potential changes in that
10 particular grant program. So, again, that's scheduled for
11 this afternoon from 2:00 to 5:00 in the Coastal Hearing
12 Room.

13 With that, unless there are any questions, I'm
14 prepared to move on with the first item on the agenda.

15 Okay. First item will be Item B. It's
16 Consideration of the Grant Awards for the Household
17 Hazardous Waste Grant Program 13th Cycle and Remaining
18 12th Cycle for Fiscal Year 2004/2005.

19 Eric Brown will make the staff presentation.

20 (Thereupon an overhead presentation was
21 presented as follows.)

22 MR. BROWN: Good morning, Committee Chair Cheryl
23 Peace, and our one remaining member of the Committee,
24 Moulton-Patterson. I'm Eric Brown from the Used Oil and
25 Hazardous Waste, Special Waste Division. And I will be

1 presenting Item B, Consideration for the Grant Award for
2 the Household Hazardous Waste Program 13th Cycle and
3 Remaining 12th Cycle for Fiscal Year 2004/2005.

4 --o0o--

5 MR. BROWN: The purpose of this grant is to award
6 funds to cities, counties, and local agencies that reduce
7 the amount of household hazardous waste disposed at solid
8 waste landfills.

9 --o0o--

10 MR. BROWN: The program criteria is broken up
11 into two parts: One that's driven by statute, and one
12 that's recommended by staff at the January 2004 Board
13 meeting. AB 3348 requires that funding be focused on
14 rural and underserved areas, as well as small citys'
15 multi-jurisdictional programs addressing regional needs.

16 Due to direction from the Board at the January
17 2004 Board meeting, the award recommendations are based on
18 highest scoring applicants using the Board-approved
19 criteria, regardless of location. The direction was based
20 on Public Resources Code 47200 giving priority to rural,
21 small, or underserved areas.

22 --o0o--

23 MR. BROWN: Traditionally, this grant cycle is
24 highly over-subscribed, so staff felt it necessary to
25 encourage new jurisdictions that had not recently received

1 an HHW grant to apply. Over the past two cycles, a total
2 of 31 grant applications received a passing score, but
3 were unfunded due to lack of funds. Therefore,
4 Board-approved criteria in the 2004 -- January 2004 which
5 gave scoring points to applications that had not received
6 the HHW award during the last two cycles. Also during the
7 last two cycles, applicants received a substantial amount
8 of points for implementing an e-waste program. While
9 e-waste remained an eligible expenditure, staff felt that
10 it wasn't -- with the recent signing of SB 20, that no
11 program points should be given specifically for an e-waste
12 collection.

13 --o0o--

14 MR. BROWN: We received 24 qualified applications
15 requesting \$4.47 million. Nineteen applications received
16 a passing score requesting \$3.42 million of the total \$4.5
17 million that was available. This allows for full funding
18 of all 19 passing applicants, but would leave \$1.08
19 million in the IWMA account.

20 --o0o--

21 MR. BROWN: With that \$1.08 million, staff
22 recommends, to best meet the local needs for assistance
23 with HHW projects, that we fund the remaining applicants
24 from the 12th cycle that would have passed would there
25 have been enough money available. This was seven

1 unfunded -- fully unfunded applicants and two that were
2 partially funded. Funding these nine projects would
3 utilize 8.61 -- \$861,000 of the 1.08 million remaining,
4 leaving approximately \$223,000 that will revert to the
5 IWMA fund.

6 --o0o--

7 MR. BROWN: In close, at the July Board meeting,
8 we'll be asking the Board to approve 28 grantees totaling
9 \$4,277,096 and approving Resolutions 2004-203 and
10 2004-204.

11 I'd be happy to answer any questions at this
12 time.

13 CHAIRPERSON PEACE: Any questions?

14 COMMITTEE MEMBER MOULTON-PATTERSON: Thank you.

15 At our conferences -- the HHW conference, do
16 we let different -- let's see if I can frame this right.
17 How do we let jurisdictions know? I'm looking through
18 here, and they've got some really creative ideas. And I'm
19 just wondering how we let other jurisdictions know what
20 others are doing.

21 MR. BROWN: We have bimonthly household hazardous
22 waste meetings, in addition to the yearly conference,
23 where the grantees get together and discuss programs
24 they're either working on or thinking about doing. A lot
25 of ideas come out of that.

1 We have HHW info exchange e-mail web service.
2 It's kind of like a bulletin board. Somebody poses a
3 question. All the other members and local grantees will
4 pose an answer or lead the discussion. So a lot of them
5 get ideas for different types of programs like that.

6 We also before the grant program goes out, we
7 solicit information from -- we ask all our key
8 stakeholders what types of programs they would most like
9 to see funded with the money.

10 COMMITTEE MEMBER MOULTON-PATTERSON: Because I
11 was just noticing in Norwalk the proposed collection for
12 seniors that have a difficult time going to the round-ups
13 and stuff, you know, things like that. So it's great that
14 you get the word out, because these are some really good
15 ideas. Thank you.

16 CHAIRPERSON PEACE: I have a question. Here it
17 says for the Fiscal Year 04/05 California state budget
18 includes an additional 1.5 million for the Household
19 Hazardous Waste Grant Cycle 13. Did we ask for that
20 increase or -- I mean, does it fluctuate every year? What
21 is that based on?

22 MR. BROWN: It was \$3 million up until last year.
23 Last year it was increased to \$4.5 million. And that
24 increase stayed for this --

25 CHAIRPERSON PEACE: That will continue now? It

1 doesn't fluctuate every year?

2 MR. BROWN: It's up to the budget. It should
3 stay, but again, there's no --

4 CHAIRPERSON PEACE: Do they increase that, you
5 think, because we were so short last year and couldn't
6 fund all the applicants? Or how did they come up with
7 that number?

8 DEPUTY DIRECTOR LEE: Madam Chair, I believe on
9 that one we put the BCP to ask for additional expenditure
10 authority for the additional one-and-a-half million,
11 because traditionally our program has been very
12 over-subscribed. I believe that there is a potential for
13 going up to 5 million. But, again, to get that additional
14 half-million, between four-and-a-half and five, requires
15 another BCP.

16 CHAIRPERSON PEACE: Also the Household Hazardous
17 Waste Grant assists local governments in the construction
18 of permanent and temporary collection facilities. So all
19 the household hazardous waste that's collected, is it all
20 recycled, or how does that work? These collection centers
21 collect it all, and then what happens to it?

22 MR. BROWN: It depends what they're collecting.
23 If they collect paint, for instance, they try to find
24 reuse opportunities. Some of them collect pesticides and
25 the same kind of thing, they'll set up a reuse counter.

1 The goal is to try to reuse everything. And disposal
2 would be the last option that they're looking for.

3 CHAIRPERSON PEACE: If it is disposed, does it
4 have to go to a hazardous waste site then? It can't just
5 go to a regular landfill, can it?

6 MR. BROWN: No.

7 CHAIRPERSON PEACE: Okay. Also what I see with
8 the funding, there's going to be \$222,000 left over. Does
9 this carry over then to next year, or could we use that
10 money on, you know, markets or education? Does that carry
11 over to next year to use for the grants again?

12 DEPUTY DIRECTOR LEE: It comes out of the IWMA
13 account. And again, to the best of my knowledge, the
14 money goes back to the fund. It can't be carried over
15 into the next year. We're only able to go back in and
16 pick up projects from last year, because of the language
17 the Board had explicitly authorized in the Resolution.

18 So if we had available projects that could have
19 used all of the remaining money, then we would have funded
20 them, because there were enough moneys to soak up all
21 the -- there was like \$222,000 that was left, there wasn't
22 an approved project for. That money will go back into the
23 Used Oil Fund, which is continuously -- excuse me -- to
24 the Integrated Waste Management Fund.

25 CHAIRPERSON PEACE: It says here that one of the

1 goals is to assist in the creation and expansion of
2 sustainable markets to support the diversion efforts and
3 ensure that diverted materials return to economic
4 mainstream. So sounds to me if we wanted to, if we had a
5 project, we could use it for a sustainable market project,
6 for an education project, if something came up.

7 EXECUTIVE DIRECTOR LEARY: Madam Chair, if I can
8 help out. I think since it goes back to the IWMA, it
9 could be used for reallocation, as you suggest, before the
10 end of our year. Obviously, our expenditure authority
11 will end at the end of June, so we'll either have found a
12 use for it, or it will stay in our reserve. But I think
13 this money could be factored into a reallocation item that
14 will come up later in the year.

15 CHAIRPERSON PEACE: Okay. Thank you. Okay.

16 Could I have a motion?

17 This is going to go to the full Board anyway,
18 because it involves money. So with the two of us, should
19 we still take a vote on it?

20 EXECUTIVE DIRECTOR LEARY: 2 and 0 -- with an
21 absent Board member, 2 and 0 constitute consent and we'll
22 be brought forward in an abbreviated presentation with the
23 support of the Committee. And unless another Board member
24 had an issue with it, I'm sure it would proceed quickly.

25 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. I'd

1 like to move Resolution 2004-204.

2 CHAIRPERSON PEACE: I'll second that.

3 So call the roll.

4 SECRETARY LINDRUD: Moulton-Patterson?

5 COMMITTEE MEMBER MOULTON-PATTERSON: Aye.

6 SECRETARY LINDRUD: Peace?

7 CHAIRPERSON PEACE: Aye.

8 Okay. I guess then we'll kick that to the full

9 Board with the support of the Committee.

10 DEPUTY DIRECTOR LEE: Is it the recommendation

11 for a consent recommendation for that item?

12 EXECUTIVE DIRECTOR LEARY: The Board has always

13 been reluctant putting fiscal items on consent, so we'll

14 do an expeditious presentation at the Board meeting.

15 CHAIRPERSON PEACE: We'll move on to the next

16 item, Item B your agenda, Item Number 10, Consideration of

17 the --

18 COMMITTEE MEMBER MOULTON-PATTERSON: Just a

19 second.

20 CHAIRPERSON PEACE: Item C or Item 11 for the

21 July Board meeting --

22 COMMITTEE MEMBER MOULTON-PATTERSON: Ms. Peace, I

23 erred here. I only moved one of the resolutions. I guess

24 I -- did I say 204? Because on the last item we also want

25 to approve -- also move approval --

1 CHAIRPERSON PEACE: Yes. There are two
2 resolutions.

3 COMMITTEE MEMBER MOULTON-PATTERSON: 203. And I
4 imagine you'd second it.

5 CHAIRPERSON PEACE: Yes.

6 COMMITTEE MEMBER MOULTON-PATTERSON: Thank you.

7 CHAIRPERSON PEACE: Do we call the roll on that
8 again or substitute? Substitute. Okay.

9 Item 11.

10 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

11 Item Number 11 is Presentation of the
12 Comprehensive Assessment of the California Used Oil
13 Program, Fiscal Year 2001/02, Fund Contract Concept Number
14 0-57.

15 This item will be presented by Kristin Yee, who
16 will introduce the contractor for this project.

17 The intent with the discussion at today's meeting
18 and also before the Board next week is, again, for the
19 contractor to outline the recommendations in his report.
20 Staff will receive feedback from the Board and the public,
21 and then we propose to come back to the Board later this
22 fall, probably in conjunction with our annual allocation
23 item, with staff's recommendations for implementation of
24 some of the items in the report.

25 So with that kind of brief overview, let me turn

1 it over to Kristin Yee.

2 CHAIRPERSON PEACE: So, Jim, this is going to go
3 to the -- you already plan for this to go to full Board,
4 and Dr. Conn is going to give a presentation there also?

5 DEPUTY DIRECTOR LEE: With your approval. As I
6 understand it, there's several other Board members that
7 expressed interest in this particular program. So that's,
8 of course, subject to your approval.

9 CHAIRPERSON PEACE: Yes, because we just got the
10 report yesterday about 3:45 in the afternoon. It's a
11 pretty hefty report, and really haven't had time to look
12 at it. So, yes, it does need to go to the full Board.
13 And, hopefully, we'll have time to look at it.

14 DEPUTY DIRECTOR LEE: Understand. And the
15 contractor is prepared to present both today and at the
16 full Board.

17 CHAIRPERSON PEACE: Thank you.

18 MS. YEE: Good morning, Chairperson Peace and
19 Madam Chair Moulton-Patterson. I'm here to present David
20 Conn. He's the professor of Environmental Planning and
21 Administrator at Cal Poly San Luis Obispo. Dr. Conn is
22 the Project Director of this assessment of the Used Oil
23 Program. And I just wish to thank Dr. Conn for his
24 insights on the program. We've had many hours of
25 discussion, and it's been a challenging project. So with

1 that brief introduction, I'd like Dr. Conn to present his
2 overview of his findings and recommendations.

3 (Thereupon an overhead presentation was
4 presented as follows.)

5 DR. CONN: Good morning. Thank you for giving me
6 this opportunity to make this presentation. I realize you
7 haven't had a chance to read the report. As Kristin just
8 said, there have been many hours of discussion with the
9 staff. It's a complex project. And nailing the report
10 down has been quite a challenge. But we hope we've gotten
11 somewhere that's quite useful to you.

12 --o0o--

13 DR. CONN: The purpose of today's session is, as
14 mentioned, just to review some key findings and
15 recommendations. Deliberately keeping this very short.
16 There's a lot in the report, obviously. So I'm just going
17 to touch on a few things. And, obviously, if you have
18 questions -- I'm hoping since you haven't read the full
19 report this actually will give you sort of a chance to
20 give you a road map for the report when you do get to it.

21 --o0o--

22 DR. CONN: I'd like to acknowledge up front a lot
23 of people who worked with me on this report. I had a
24 research team which included some colleagues and some
25 graduate students, a whole host of interviewees who gave

1 us their time and their expertise to help us with the
2 report, and considerable amount of time with the Used Oil
3 Program staff themselves. They're very, very helpful.
4 And, hopefully, we've sort of worked through this and come
5 up with something very productive.

6 --o0o--

7 DR. CONN: The goal of the contract was to
8 provide this overview and assessment of the program over
9 the ten years that the program has been in place.
10 Actually, it was ten years when we got started. It's now
11 a little bit longer than that. This project took a little
12 longer than we expected. But the intent is that hopefully
13 you'll be able to use the results of the project to
14 streamline the program and sort of examine what it's
15 doing, what it's doing well, and what it's not doing so
16 well and help with the development of a work plan for
17 future use.

18 --o0o--

19 DR. CONN: The report is pretty straightforward,
20 I think, in its organization with an executive summary up
21 front. And then we tried to, after the introduction, give
22 a little description of the program, not in huge detail,
23 but really focus on the findings, analysis, and
24 recommendations. And there's a fairly extensive
25 appendices with backup information.

1 --o0o--

2 DR. CONN: The methodology, this was a very --
3 the scope of work was very broad for this report. And we
4 looked at a lot of different kinds of -- identified and
5 looked at a lot of different kinds of documents. We
6 identified and interviewed a lot of different stakeholders
7 who have interest of one kind or another in the program.
8 We also asked very specifically to look at some other
9 programs both here in California, some non-use oil
10 programs at other agencies, and then outside California,
11 some other used oil programs in different states. So we
12 do have some comparisons from that. And then we perform
13 the analysis and develop recommendations.

14 There's a little caveat that I've slipped at the
15 bottom of the slide here. It's a broad study. And given
16 the nature of it, this is not a scientifically exact study
17 in the sense we did not do random sampling of our
18 interviewees. We did not, therefore, come up with
19 statistically significant results. The intent really was
20 to get a feel and to be more suggestive than definitive on
21 some of the questions. What it means is that there may be
22 some things that you'll want to do further studies on
23 before you adopt recommendations. But, hopefully, it will
24 at least point in the direction that you might want to
25 pursue.

1 --o0o--

2 DR. CONN: The program, as I'm sure you're
3 familiar, was established by the 1991 California Oil
4 Recycling Enhancement Act. And the intent, as described
5 in the Act, is to reduce the illegal disposal of used oil
6 and recycle and reclaim used oil to the greatest extent
7 possible in order to recover valuable natural resources
8 and avoid damage to the environment and threats to public
9 health.

10 I read that all out because when you come to do
11 an assessment as we did, one of the first things we try to
12 do is decide what we're assessing against. In other
13 words, what were the goals and the objectives against
14 which this assessment was to be carried out. And as is
15 fairly common with state legislation, there's more than
16 one thing in there. There are, you know, the explicit
17 agendas that appear in the statute and interpreted in one
18 way or another, and then there may be some implicit
19 agendas as well. So we try to figure out what it was that
20 we were really trying to assess against.

21 --o0o--

22 DR. CONN: The major elements of the program I'm
23 sure you're familiar with: The recycling fund, the grant
24 programs. Substantial amount of money and time and effort
25 goes into the grant programs. They're really the heart of

1 the program. And part of what the grantees are asked to
2 do is to establish certified used oil collection centers.
3 And then there's education outreach, which is carried out
4 both centrally and by the grantees. A substantial amount
5 of it by the grantees.

6 --o0o--

7 DR. CONN: The way we ended up answering the
8 question I posed a second or two ago was to define three
9 levels, if you like, of criteria for assessment. What we
10 call the instrumental objectives, that is achieving
11 effectiveness and efficiency in implementing those program
12 elements. These were defined in the CORE Act. So these
13 were given to the staff, and this is what the staff really
14 focused on, as would be expected.

15 But we also backed up one level to what we call
16 the program objective, which is, what are we really trying
17 to do here? Well, the CORE Act is fairly explicit in
18 saying we want to reduce disposal and we want to reclaim
19 used oil to the greatest extent possible.

20 And then it also talks about the really broadest
21 level, if you like, what we call the ultimate legislative
22 goal, which is we're really trying to recover valuable
23 natural resources. And we're trying to avoid damage to
24 the environment and threats to the public health. And so
25 when you look at the report, you'll see that the

1 assessment is written against these three levels of
2 criteria, with probably most attention given to the
3 instrumental, because that was what we understood the
4 scope of work to really focus on.

5 --o0o--

6 DR. CONN: And very, very briefly I'll just run
7 through some of the key findings. At the level of the
8 instrumental objectives, the program's been pretty
9 successful. The staff have done a really good job of
10 establishing the things that are called for in CORE Act,
11 the recycling incentive. There's a whole network of
12 collection centers. There's a program of outreach and
13 education out there, both centrally, as I said before, and
14 conducted by the grantees, and the substantial funding
15 through the grants.

16 And one of the concerns that you often hear about
17 in relation to this and other kinds of grant programs is a
18 concern about paperwork. We like the money, but there's
19 always this paperwork. We always have to fill out all
20 these forms and apply for it and do this and do that. We
21 looked at the paperwork for this particular program and
22 really feel that it's not unreasonable. I mean, there's
23 always opportunities for improvement. But over the years
24 the staff, I think, have done a pretty good job of trying
25 to identify what they really need out of the paperwork and

1 focus in on fairly brief requirements.

2 Let's face it. There's a lot of money involved
3 here. So the state has a duty to require some
4 information. They're not just going to hand out the
5 money. So the state does have a duty to ensure that the
6 money is appropriately spent.

7 We don't think, incidentally, that misspending
8 money is an issue here. And if it is, it's likely to get
9 caught by the auditing. We don't feel that there has to
10 be a lot of up front double checking on grantees. By and
11 large, it seems the grantees are operating in good faith
12 and they are by and large using the money in the correct
13 way. I don't think there's a problem with fraud or
14 anything like that, certainly that we identified. And
15 there is an auditing process, as you know, for any state
16 money. And the auditors do a good job of going in
17 afterwards and making sure, in fact, things were done
18 correctly.

19 --o0o--

20 DR. CONN: At the level of the program objective,
21 this was reducing the illegal disposal of used oil and
22 establish recycling, reclaiming the used oil. Pretty good
23 progress here, too. There's a whole oil collection
24 infrastructure that's been established throughout the
25 state. Roughly 600 or more million gallons have been

1 collected and recycled. And there's been a steady growth
2 in the annual collection of used oil.

3 Another issue that we spent some time discussing
4 and looking at, the accuracy of the data. Certainly early
5 stages of the program, getting good data was very
6 difficult. I think it is still very difficult to get good
7 data. The staff is pretty confident, and we were able to
8 persuade our team, that the figures that they now have are
9 a significant improvement over the earlier figures. And
10 they've got a pretty good handle on what's happening.

11 That's not to the nearest gallon by any means.
12 But they've got a pretty good handle on what's happening
13 over time, particularly as you go from year to year, the
14 kinds of changes that have been taking place. So with
15 some confidence we can say that they've collected a good
16 amount of oil and there's been a steady growth in the
17 amount of oil that's been collected.

18 --o0o--

19 DR. CONN: In terms of the ultimate legislative
20 goal, this is actually even more difficult to assess. We
21 feel there's been progress. Any oil that's not illegally
22 disposed of and is recycled or reclaimed instead is likely
23 to be a conservation of resources. The only issue with
24 the conservation of resources is that at this point
25 significant portions of the used oil is burned rather than

1 re-refined and reused as oil. And if you really want to
2 hit the maximum in terms of resource conservation, I think
3 there's general agreement that re-refining and reuse of
4 oil is the best use of used oil. So the fact so much of
5 it is being burned is something that we may want to take a
6 look at and try to improve on.

7 In terms of the reduction of improper disposal
8 and protection of the environment and protection of human
9 health, there's certainly reason to suppose that because
10 of the nature of used oil and the possibility that it can
11 get into water supplies and get into other places where it
12 shouldn't be, that it poses significant risk to the
13 environment and to public health.

14 I can say that in a generic way. It's more
15 difficult to pin that down in terms of specific evidence
16 as to how much damage that has been caused in the past by
17 used oil and how much the program is changing that. It's
18 just simply our knowledge base in that area is pretty
19 limited.

20 But again, there is reason to suppose because of
21 the intrinsic nature of used oil that it is a problem, and
22 California is no different than the federal government or
23 many other states in considering it to be a problem that
24 needs to be addressed and, in fact, is being addressed.
25 And there's certainly progress as far as this program is

1 concerned.

2 --o0o--

3 DR. CONN: Moving on to just a few
4 recommendations I'm going to focus on, sort of summarize a
5 number of them that appear here. There are about 63 in
6 the report. I think around 24 of those focus on
7 administrative aspects of the program, and then there are
8 a whole bunch of things that the other ones look at.

9 The first thing that really has jumped out that
10 we feel the program could really benefit from would be a
11 well-conceived strategic planning effort. I emphasis
12 well-conceived because I think we're probably all familiar
13 with strategic planning efforts that haven't been well
14 convened that probably weren't worth the effort.

15 If it's well done and if there's a real focus and
16 an understanding -- and this may require dialogue at all
17 levels, at legislative levels, the Board level, and
18 certainly with the staff and with the stakeholders in the
19 program, to understand really what we're trying to
20 accomplish in this program and to sort of work back to the
21 best way of doing that.

22 That has been done at various times in bits and
23 pieces over the years. But right now, there is not in
24 existence an integrated strategic plan for this program.
25 We feel it would be a benefit to have such a plan. It

1 would allow the staff to really know exactly -- rather
2 than being focused on the day to day of implementing the
3 rather specific provisions of the CORE Act, to keep in
4 mind that bigger vision of what the program is trying to
5 accomplish. So we feel that's a pretty important thing.

6 --o0o--

7 DR. CONN: And then as part of that strategic
8 planning effort, to focus on a number of different kinds
9 of options. And I'm just going to run through three or
10 four of these to give you a sense.

11 The first one is that the focus to date has been
12 largely on do-it-yourselfers, for good reason. And this
13 is not the only state to do it. Other states have done
14 this, too. Because in terms of illegal disposal of used
15 oil and the damage that we at least suspect is created
16 because of that, the do-it-yourselfers seem to be an
17 obvious target. They are the people who are the most
18 likely, it is thought, to illegally dispose of their used
19 oil. And whatever evidence we have, and there have been
20 studies at this Board to support it, to look at that in
21 more detail certainly backs that up. But there are others
22 who produce used oil and may be the culprits, if you like,
23 in terms of illegally disposing of it.

24 And one of the things that has already happened
25 in the program is that the scope has broadened and the

1 staff are already looking at other possible sources,
2 agriculture, marine operations, trucking, so on and so
3 forth.

4 And, incidentally, I might just slip in here
5 while I think of it, there's been a little bit of a moving
6 target here, which is good. I think this is the way an
7 assessment should run. We've been working now for close
8 to two years -- a year and a half on the project. And
9 during that time, we've been talking and interacting with
10 the staff. And both initiated by the staff themselves and
11 possibly, we hope, maybe influenced by what we've been
12 doing, the program itself has changed.

13 So a number of the recommendations that we've
14 ended up with here are already partially implemented, in
15 the sense that staff have already felt these are important
16 things to do and are already doing them. And I think
17 certain credit should be given to them for doing that.
18 We've certainly developed the focus beyond
19 do-it-yourselfers.

20 The second item that staff has already started
21 working on is to promote program improvements to grantees.
22 There was in the past, it seems at least, maybe a little
23 too much emphasis on going through the motion of getting
24 the money out to the grantees and placing the weight
25 really primarily on the grantees to do the right thing in

1 terms of preventing illegal disposal and diverting that
2 oil to the correct uses. And maybe that emphasis was a
3 little too strong and there wasn't enough direction -- or
4 help, maybe really the right word here, from the center in
5 terms of the best way of doing that.

6 There's always a tension here when you use a
7 block grant system, which largely depends on block grants.
8 The whole idea of block grants are that you give to the
9 local government, and you give them as much flexibility as
10 possible to operate the program in accordance with their
11 local circumstances. That's the whole idea, to not put
12 too many strings on and pretend that Sacramento knows
13 best.

14 On the other hand, Sacramento does occasionally
15 know best, simply because they have the benefit of
16 knowledge that they pick up from around the state and from
17 a variety of different kinds of studies that they do that
18 can provide information on best practices, things that
19 work, things that don't work, and so on.

20 I think it's time -- and I think staff have
21 already recognized this, to be a little more aggressive in
22 getting that information back out to the grantees. And
23 there are various ways of doing that. We're not
24 suggesting it should be coercive. We are suggesting maybe
25 a little bit more attention to technical assistance and

1 simply helping them to understand the best ways of doing
2 things. So that's what we mean by aggressively promoting
3 the program.

4 And in terms of statewide outreach and education,
5 again, the program has tended to rely a lot on the
6 grantees to do this and to do it in the ways that they
7 felt were best. And again, that's not a bad philosophy,
8 in general, but they may need help.

9 And some of the other programs we looked at in
10 terms of public outreach, beverage container program, for
11 example, one of two programs in the coastal
12 conservation -- the coastal conservancy, there are a
13 number of other programs we looked at were a little more
14 systematic, developed a more powerful state message,
15 perhaps, that was used by all of the others who were
16 implementing the program, and we think there might be some
17 benefits here.

18 There is a money tree difference, though. Some
19 of these other programs spend vastly more money than this
20 program has to spend on it. That's certainly something
21 that has to be kept in consideration.

22 --o0o--

23 DR. CONN: These last two items I think are
24 important. The Board generally places significant
25 importance on waste reduction, pollution prevention as an

1 approach, as opposed to always sort of tackling the back
2 end of the problem. To some extent, the used oil problem
3 -- depends how you define back end. Once the used oil is
4 generated and out there and you sort of try to reclaim it,
5 that's not quite the back end, but it's getting closer.

6 We're concerned that perhaps more attention
7 should be given at the front end. There may be approaches
8 that might reduce the generation of the used oil. For
9 example, reducing vehicle miles travelled, which
10 incidentally is an objective shared by a number of other
11 state agencies, and there may be some opportunities for
12 working together on those kinds of things. But even given
13 vehicle miles traveled in this state is really difficult
14 to address that issue.

15 There may be ways of extending intervals between
16 oil changes and clarifying what those intervals should be.
17 Many automobile handbooks these days say for normal
18 driving, 7,500 miles between oil changes. The popular
19 people on the radio and others say don't wait that long,
20 do it after 3,000, which is the way I know as a kid we
21 always used to do it at 3,000. Which is the right one? I
22 think the public may be confused about that. And if, in
23 fact, it's closer to 7,500, it might be good for an
24 independent body, and the state would be, to get that word
25 out so that we change oil when we really need to change

1 oil.

2 There are some other technologies, too, kind of
3 enhance filters and testing of oil to see whether it's
4 ready to be changed, not necessarily for the domestic
5 customer, but certainly for fleets. So there are some
6 options in there for waste reduction that I think could be
7 very seriously considered. And there has been given some
8 attention in the past, but maybe could be given slightly
9 higher priority.

10 And, finally, the recycling incentive which was
11 intended to encourage both individuals who bring back
12 their used oil and others to do the proper thing with
13 their used oil. We're, frankly, not convinced it's
14 working the way it was probably intended to. It's a very
15 small amount, 16 cents a gallon. We're not sure that even
16 the do-it-yourselfer is really persuaded to bring back
17 used oil for 16 cents. The word we got was that many of
18 them don't even claim it. So there's a real question
19 about that. It probably would need some additional study
20 before you take drastic action.

21 But that's something we would like you to focus
22 on, is whether it's really doing what it should be doing,
23 particularly because a substantial amount of the recycling
24 is going to businesses that change oil professionally.
25 They're allowed to claim this recycling incentive for

1 changing oil at their own shop and producing the oil
2 there. And, frankly, we don't expect they're going to go
3 out and dump that oil in a gully anyway. And they're, in
4 fact, required by law that it has to be dealt with
5 properly. So the question is why they're being paid the
6 recycling incentive. Is that necessary?

7 So, again, we may not be definitive in our
8 recommendation on this, but we might suggest further
9 examination.

10 So that's a quick run through of the
11 recommendations. And, obviously, if you have any
12 questions, I'd be pleased to answer them, or at a
13 subsequent Board meeting I'd be pleased to answer them
14 also.

15 COMMITTEE MEMBER MOULTON-PATTERSON: I don't have
16 any questions.

17 I did want to make a comment, though. I found
18 your report very, very interesting and a lot of good
19 things for us to think about. And I'm certainly -- coming
20 from local government, you know, we do always hear about
21 all the paperwork, it's not worth it and everything. As
22 you said, these are large amounts of money. And it's good
23 to hear the paperwork is asking for the right information
24 and so forth. So thank you.

25 CHAIRPERSON PEACE: Thank you. I guess we'll see

1 you next week at the Board meeting.

2 MS. YEE: Chairperson Peace, so you do want him
3 to come to the July Board meeting?

4 CHAIRPERSON PEACE: Yes.

5 MS. YEE: Thank you.

6 CHAIRPERSON PEACE: This brings us to Item D, or
7 Agenda Item Number 12, Request for Direction to Modify
8 Certain Activities in 04/05 Five-Year Plan.

9 I just want to say in the next few months we'll
10 be very busy as we start the biennial review of the
11 Five-Year Tire Plan. We'll be looking at items in the
12 plan that have been under-subscribed, others that have
13 been over-subscribed. We'll be looking at items we no
14 longer need and items we can no longer fund.

15 Then there are items like the playground cover
16 grants and the track grants that are just not cost
17 effective. If we decide to keep these, there needs to be
18 a change, at least in my opinion, in the scoring criteria.
19 This thing here I got says the grant eligibility is
20 influenced much more heavily by standard grant criteria of
21 need, budget, and evidence of recycled content, purchasing
22 policy, and other preference criteria, such as not having
23 received a grant previously, and income status of the
24 grantee, other than by the number of tires utilized and
25 the cost effectiveness of that utilization.

1 If our mission is to create markets so that fewer
2 tires are landfilled, how can the number of tires used and
3 the cost effectiveness of that utilization not be part of
4 the scoring criteria? So that is something I'd like to
5 address this year for 04/05.

6 On the other hand, with our RAC Grants, for every
7 dollar the Board spends, we divert one tire from the
8 landfill. With the civil engineering projects, as these
9 projects become more widely accepted, for every dollar the
10 Board spends, we have the potential to divert three, four,
11 maybe even five tires.

12 The 2003 Senate Advisory Report on cost control
13 in state government recommended increasing the use of RAC
14 and pushing civil engineering projects. I agree with much
15 of that report. And I'd like to see these recommendations
16 reflected in the new Five-Year Plan. Are we getting the
17 biggest bang for our buck? And if we're not, we're not
18 doing a good job of creating sustainable markets.

19 There are several things that I wanted to see
20 addressed as soon as possible. One, the tire manifest
21 system. We've just made changes to the manifest system
22 for the retreaders. That should make their lives much
23 easier. Now I'm looking forward to making changes to the
24 manifest system for the rest of the haulers. As it now
25 stands, the manifest system now is much too burdensome for

1 haulers, as well as for our tire staff. So do you have
2 any idea when we'd be having a workshop on this?

3 DEPUTY DIRECTOR LEE: Yes. I'd like to comment
4 on each of those things, if I could take a moment, Madam
5 Chair.

6 To answer your last question first, we expect to
7 roll out with workshops probably within the next 30 to 45
8 days. We've initiated completing kind of discussions with
9 various Board members, you know, about the thing, making
10 sure that our proposal is kind of focused, and we expect
11 to make it publicly available very shortly.

12 I agree with you that changes in the manifest
13 program are definitely necessary. The paperwork situation
14 right now is basically too onerous for both staff and the
15 regulated community. So we wholeheartedly endorse your
16 recommendations for improvements and changes and
17 modifications in that program.

18 Also, again, staff is very supportive of your
19 recommendation with regards to trying to refocus the
20 Five-Year Plan as we go through this next biennial update
21 we'll be commencing here probably in September.

22 We also would like to try to refocus on these big
23 ticket items. We agree that RAC and civil engineering
24 uses do use a lot more tires, you know, per dollar of --
25 per grant dollar that's made available to them, and,

1 therefore, are by definition much more cost effective.

2 And, finally, with regards to the change in
3 criteria, again, the criteria I believe are specified --
4 at least the general program criteria are specified in a
5 Board policy that I think was designed to make -- to
6 provide some level of conformance across all the various
7 grant programs. Again, each set of criteria is changed to
8 reflect the specific program criteria. And it's that area
9 that we've already made some changes in our recent grants
10 to look at cost per tire considerations. Again, trying to
11 get at the cost effective angle. So again, I think that
12 staff --

13 CHAIRPERSON PEACE: I'm sorry. Did you say in
14 the track grants you're already going to be looking at --

15 DEPUTY DIRECTOR LEE: We intend to propose that.
16 The one I'm thinking of -- let me ask Mitch Delmage to
17 help me out --

18 WASTE TIRE DIVERSION SUPERVISOR DELMAGE: Amnesty
19 Day.

20 DEPUTY DIRECTOR LEE: Amnesty Day is the one. We
21 just recently proposed that as a consideration. And we
22 propose to include that in our upcoming grants. You
23 mentioned the playground track grant specifically.

24 CHAIRPERSON PEACE: That's great. That's what I
25 wanted to hear. Because when I look at the playground

1 cover grants and the track grants, there's one grant where
2 we gave \$37,000 to a community district, and they used
3 13,000 tires at a cost of 2.78 a tire, which isn't too
4 bad. But then we have \$37,000, and they used 175,000
5 tires at a cost of 21 cents a tire. I double checked with
6 staff, and they said it wasn't a misprint. So we need to
7 find out how can they do that.

8 Then there's another one that we gave a grant for
9 \$37,500. They only used 259 tires at a cost of \$144.79 a
10 tire. That, to me, just, you know, isn't being cost
11 effective at all. So I'm glad we're going to be looking
12 at that scoring criteria.

13 DEPUTY DIRECTOR LEE: Staff is supportive of
14 making changes in that area, which we hope we'll get the
15 Board's approval for.

16 Perhaps I guess since I've taken the opportunity
17 to kind of respond to those specific questions, I'll go
18 ahead and present the rest of Item D with your permission.

19 CHAIRPERSON PEACE: Yes. The other things I want
20 to see discussed right away were the commercialization
21 grants, enforcement grants, the RAC Tech Centers. These
22 are all things that will be in this next agenda item.

23 Before we get started, do you have any questions?
24 Okay.

25 DEPUTY DIRECTOR LEE: Madam Chair, Item D, again,

1 is Request for Direction on Options to Modify Certain
2 Fiscal Year 2004/2005 Activities Identified in the
3 Five-Year Plan for the Waste Tire Recycling Management
4 Program and Discussion of the Biennial Update Process.

5 You might recall this item was continued from
6 last month's agenda. Again, I won't repeat my monologue
7 from that meeting. I'll give you a brief summary and then
8 go directly to staff's recommendations for some of the
9 specific items of concern.

10 We discussed last month, again, that the biennial
11 update process is statutorily required. It's also
12 statutorily required for a biennial update. That does not
13 preclude the Board's consideration of a more frequent
14 analysis. That does, as I discussed last month, present
15 operational and other problems for staff and the regulated
16 community.

17 We talked again about proposed changes to --
18 potential changes to various 04/05 allocation items. And
19 I'd like to try to address each one of those specifically
20 with staff's recommendation.

21 First one, the Product Commercialization Grant
22 Program. The Five-Year Plan allocated 1,600,000 for
23 Fiscal Year 2004/05 to fund the Product Commercialization
24 Grant Program. The Five-Year Plan stated "that grants
25 will target businesses that need assistance to establish

1 or expand their products to a commercialized sale."

2 At the May Board meeting, the Board requested
3 that staff hold a stakeholder roundtable this summer.
4 This discussion will examine which of the following
5 options, among others, the Board may wish to pursue.
6 Among these that are -- some of the proposed alternatives
7 that might be discussed are keeping the same focus,
8 changing the focus, becoming a loan program, or being
9 eliminated. As I discussed in my Deputy Director's
10 Report, we will be holding that workshop this afternoon.

11 Right now it's staff's plan to return to the
12 Board probably in September with the results of the
13 workshop and receive follow-up Board direction.

14 I wanted to note a concern that I have that most
15 of the options, you know, which we think will be discussed
16 are policy level determinations that have historically
17 been deferred to the biennial Five-Year planning process
18 and that substantive changes in the 04/05 allocations
19 arguably impact on the validity of the process.

20 You know, my personal opinion notwithstanding,
21 the specific recommendation would be to hold the workshop
22 in July to receive stakeholder input, to return to the
23 Board in September to receive Board direction on whether
24 any proposed changes should be made in 04/05 or should be
25 deferred to be resolved during the biennial plan review.

1 The second issue was with regard to the local
2 enforcement program. The Five-Year Plan allocated
3 7,525,000 for Fiscal Year 2004/05 to fund the Enforcement
4 Program. Further, the Five-Year Plan stated as part of
5 the performance measures that the Board should conduct a
6 performance review of enforcement efforts before the next
7 biennial update. However, the Five-Year Plan did not
8 specify how or what the evaluation would entail.
9 Therefore, you know, Board staff has identified three
10 options for Board consideration: Conducting an internal
11 review; contracting with a consultant; or postponing any
12 evaluation of the Enforcement Program until the Fiscal
13 Year 05/06 when more data would be available.

14 Just to kind of reiterate statements I've made in
15 previous Board meetings, again, staff feels that we are
16 capable of conducting an internal review. But, you know,
17 we are certainly will defer to the Board's decision on
18 this matter with regards to the need for a third-party
19 contractor. We outlined in the agenda item some pros and
20 cons for that particular approach.

21 The main issue, though, again, if the Board does
22 elect to go with a third-party evaluation, the results of
23 that evaluation won't be available until probably April or
24 May of next year. Far too late, in staff's opinion, to
25 affect the 04/05 allocations, which we must roll out with

1 the grant program here in the next month or two.

2 And, again, I just want to reaffirm my previous
3 comments on this, again, that staff is neutral on the idea
4 of a third-party evaluation. But we strongly feel that
5 the allocations for 04/05 should not be reduced or program
6 implementation delayed pending results of the study.

7 CHAIRPERSON PEACE: You're saying that you don't
8 have enough data yet to do a full-blown review. So are
9 you saying that you do want to have an outside review for
10 05/06? Are you still saying you'd rather have that be
11 internal?

12 DEPUTY DIRECTOR LEE: What I'm saying is I've
13 made statements in previous meetings that staff is neutral
14 on this. I think we've outlined that there are some
15 arguable concerns with getting a contractor on board, you
16 know, given the data that we feel that's available. But,
17 again, that's, again, subject to debate, whether there is
18 or is not enough information.

19 We can -- as we outlined in the agenda item, we
20 can get a contractor on board. They can do some work.
21 But again, even under the most expeditious time schedule,
22 the contractor cannot report back until April or May of
23 next year. And as I said, I need to move ahead with the
24 04/05 grant program probably here in the next month or
25 two.

1 So, again, if the consensus determination of the
2 Board is you want a third-party evaluation, we can do it.
3 We can have that done for you. But we strongly feel that
4 we should not withhold or delay the 04/05 local
5 enforcement allocations, that any changes should be made
6 or reserved for 05/06.

7 CHAIRPERSON PEACE: Are you done with the --

8 DEPUTY DIRECTOR LEE: I had one other
9 recommendation with regards to the rubberized asphalt
10 technical center.

11 CHAIRPERSON PEACE: Let's go back to enforcement
12 grants. You do say in the item that staff will continue
13 its ongoing internal evaluation so that any finance can be
14 incorporated into 04/05 enforcement grant cycle in the
15 next Five-Year Plan; is that correct?

16 DEPUTY DIRECTOR LEE: That's correct. Again,
17 it's been an ongoing process. Like I say, as we tried to
18 relate in the agenda item, it's been a struggle just to
19 get the program in gear. You have to recognize that,
20 again, on the list of priorities for most municipal
21 governments, tire enforcement does not stand, you know,
22 very near the top. So even with our financial inducement,
23 you know, it's taken a lot of interaction with the staff,
24 you know, with these jurisdictions trying to get them on
25 board with the program.

1 CHAIRPERSON PEACE: So the folks that are on
2 board, are they doing any enforcement on their own without
3 our money, or are they basically saying it's not a
4 priority and we don't want to do it at all?

5 DEPUTY DIRECTOR LEE: I wouldn't want to state
6 any absolutes. I think, in general, I would think that,
7 again -- I think I would stand on my previous statement.
8 I would not think it's a high priority with many of them.

9 I think perhaps even in your experience I guess
10 when talking to some of the San Diego County people, it's
11 kind of an illustrative of that situation. It's somewhat
12 counter-intuitive to think of the Board putting forth the
13 grant money that people are pounding down our doors, but
14 that's not necessarily the case.

15 But I did want to speak to the other issue that
16 you mention about what are we doing. What's our ongoing
17 evaluations? Again, we understand the program needs to be
18 as cost-effective as possible. We also know that we need
19 to try and get this thing refocused on the areas where
20 there's more tire problems as opposed to making the grants
21 available for every municipal jurisdiction. You know,
22 we're getting strong consideration for this 04/05
23 allocation, targeting the larger jurisdictions, those with
24 majority of tire problems, as opposed to -- or
25 concentrating on the county or large regional

1 jurisdictions, as opposed to making it available to every,
2 perhaps, small little city in the state.

3 CHAIRPERSON PEACE: I think with our limited
4 funding, we need to prioritize the jurisdictions according
5 to who needs it the most.

6 I'm not looking to make any changes right this
7 minute. I'm glad that you say staff is doing some sort of
8 internal evaluation. I think that's necessary just so we
9 can see how do we cover the whole state with the limited
10 amount of resources that we have.

11 Last grant cycle, like you said, was
12 undersubscribed, with the city of L.A., the county of
13 San Diego, Riverside not even applying for a grant. So we
14 need to think also do we need some sort of statutory
15 changes to SB 876 to mandate a jurisdiction to be the
16 enforcement authority for the waste tire regulation, or do
17 we need to ask the Department of Finance for more staff so
18 we can do it ourselves?

19 And also when you look at how the money is
20 distributed, right now \$4.7 million is going out for these
21 enforcement grants. So that's 78 percent of the \$6
22 million, but it's only covering 59 percent of the
23 population of the state. So if we keep giving grants the
24 way we are now, it would take \$8 million to cover the
25 whole state. And I don't think we want to go there.

1 So that's why I was saying we need to prioritize
2 the jurisdictions. Has staff thought about does there
3 need to be a formula on how we allocate the money? Right
4 now how is it allocated? Somebody applies for the grant
5 and that's the amount of money they want. And because
6 we're undersubscribed we say, "Okay, that's how much you
7 get." Is there some sort of formula based on square miles
8 and the number of tire facilities and the population?

9 DEPUTY DIRECTOR LEE: There isn't any formula,
10 per se. We do scrutinize each applicant that comes in.
11 They have to make a reasonable, you know, defense of how
12 the money is going to be spent. It's got to be
13 justifiable in staff's mind.

14 And also with regards to the 59 percent, again,
15 you know, with the likely inclusion of the city of L.A.,
16 you know, that number will jump quickly up to 70 percent.
17 And it just may be a situation where we may not be able to
18 ensure participation for 100 percent of the state's area.
19 But that may not be absolutely necessary. Again, it's a
20 question of priorities and then perhaps using the
21 available state staff, you know, to cover perceived or
22 identified holes in the coverage, if you will.

23 CHAIRPERSON PEACE: And the enforcement staff
24 that we have -- we have five enforcement staff statewide?

25 DEPUTY DIRECTOR LEE: I think it's five or six.

1 CHAIRPERSON PEACE: Are they all -- do they
2 actually then work out of an office or somewhere in a
3 particular area? They're not based here, are they?

4 DEPUTY DIRECTOR LEE: Four of the six are
5 stationed in the Southern California area and work out of
6 that regional area.

7 CHAIRPERSON PEACE: They're basically covering
8 San Diego County and Riverside and L.A. that did not apply
9 for the grants. Are they doing all the work then?

10 DEPUTY DIRECTOR LEE: That's correct.

11 CHAIRPERSON PEACE: When I look here at how, you
12 know, the money is allocated, this doesn't seem equitable
13 to me. And maybe there's good reason for it. But I'd
14 like to see, say, the County of Los Angeles, which did
15 apply for a grant -- they applied for 116,000 which is
16 okay. They have 17 percent of the population and probably
17 a good majority of the tire stores.

18 But then on the other hand, then we have another
19 city and county of Fresno that's only 2 percent of the
20 population, and they only have 345 tire businesses. You
21 know, maybe it's a bigger area. Like I said, I don't
22 know. But then on the other hand, they're getting almost
23 \$500,000. That doesn't seem to be equitable there.

24 And like if we get the city of Los Angeles and
25 San Diego County and Orange and Riverside and

1 San Francisco and Ventura and Butte, when they apply for
2 one, is there going to be enough money for them if we only
3 have \$6 million, if we're giving \$500,000 to Fresno?

4 DEPUTY DIRECTOR LEE: Right. As I said, you
5 raised some issues with regards to the prioritization.
6 These are things we need to look at for the next cycle.

7 CHAIRPERSON PEACE: It's my concern that the
8 whole state is covered, that those that are not covered by
9 this money have some sort of enforcement. So you're
10 working on this internal review. When do you think you
11 might have any recommendations for how we --

12 DEPUTY DIRECTOR LEE: We'll be coming to the
13 Board probably later on this fall with the proposed roll
14 out of the Local Enforcement Grants for 04/05. So --

15 CHAIRPERSON PEACE: It says you're working on
16 trying to get all these jurisdictions on board with
17 Enforcement Grants, you know, Los Angeles and the County
18 of San Diego and Riverside. So if you get them all on
19 board this year, they all apply, and they apply for as
20 much money as Fresno did, there's not going to be enough
21 money. So then what happens?

22 Because I thought the whole idea of this program
23 was to make sure the cities and the counties and all the
24 jurisdictions knew that there was going to be a certain
25 amount of money there, so they could count on that money

1 all the time. They can count on that, hire the people, so
2 they don't have to hire them and then fire them if they
3 don't get as much money next year.

4 How do we make sure, though, that everybody --
5 that there's some sort of formula that we go by so that
6 everybody knows, okay, I'm entitled to this amount of
7 money, and I'm going to get that every year to do my
8 Enforcement Program. And that some of these aren't like
9 Fresno, so they're counting on \$500,000 a year to do their
10 program. And when we get all the other ones, there's not
11 that much money to give them, then what happens?

12 DEPUTY DIRECTOR LEE: Again, there's no absolute
13 commitment year to year. What we said is --

14 CHAIRPERSON PEACE: Isn't that what the counties
15 and jurisdictions want? They want some sort of
16 commitment. I know that's what San Diego County told me.
17 One, it wasn't a priority. But they worried about they
18 apply for the grant, they get the money, a certain amount
19 of money. They hire staff. And the next year, well, we
20 don't have that much money to give them. They have to
21 fire people. They're looking for a stable --

22 DEPUTY DIRECTOR LEE: We're trying to provide
23 that. But remember, most of these programs are just
24 getting started. A lot of them have start-up costs for
25 surveillance equipment and cars, in some instances, you

1 know, just getting the staff on board. This is the point
2 I was trying to make, is that I would expect that, again,
3 as the programs progress, that it should cost -- the costs
4 should be going down. So this is the part of the thing
5 that I'm saying that we need to do ongoing continuous
6 evaluation.

7 We made no guarantees to jurisdictions that
8 whatever the dollar amount they send we're going to
9 maintain in perpetuity. It's always subject to fund
10 availability. It's always subject to program
11 considerations. But what we have tried to assure them is
12 that, again, if they have good programs, you know, that
13 are accomplishing the programs' objectives, that staff is
14 going to be supportive and the Board is going to be
15 supportive, more importantly, you know, of some sort of
16 funding level that allow these programs to continue.

17 CHAIRPERSON PEACE: Okay.

18 COMMITTEE MEMBER MOULTON-PATTERSON: Ms. Peace.

19 I just need a clarification here. You know, just
20 backing up to big picture. Are you saying it's almost too
21 late for us to make any changes to the Five-Year Plan for
22 the Fiscal Year 2004/2005?

23 DEPUTY DIRECTOR LEE: No, Madam Chair. I'm
24 saying it becomes increasingly difficult to do so. And
25 I'm raising some other considerations. It's not that the

1 Board can't. But staff is suggesting the Board should
2 exercise some -- should look very carefully on that
3 decision for the -- on making changes in the 04/05
4 allocations with minor exceptions.

5 You know, if the Board feels that the need is
6 great and justified, then certainly I think as Legal has
7 already advised you, that's within your prerogative. But
8 there are a number of considerations that are involved in
9 making those changes, and we just want to make sure the
10 Board is aware of those.

11 COMMITTEE MEMBER MOULTON-PATTERSON: I appreciate
12 that. And as everyone is aware, we have a brand-new Board
13 and a lot of different ideas on this and -- how can I say
14 this? Some of the decisions were very heavily influenced
15 by strong personalities on this Board, and I just want to
16 make sure that our new members and some of our remaining
17 members have a chance for input. And I understand your
18 position and your situation. But I certainly hope we can
19 have some input on that.

20 CHAIRPERSON PEACE: Definitely, as we go through
21 this Five-Year Plan, it's out in the open. So that we all
22 have a chance to hear it and put our input.

23 DEPUTY DIRECTOR LEE: Understandable.

24 Madam Chair, what I'd like to do, there was a
25 third item that was brought up. We talked about the

1 Commercialization Grant. We talked about the Local
2 Enforcement Grant.

3 The other issue where the Board had indicated
4 some proposed change in the 04/05 allocation was in the
5 Rubberized Asphalt Technical Center evaluation. This is a
6 situation where more than likely staff will be
7 recommending some modification to the existing RAC Tech
8 Centers, probably looking at keeping them involved, you
9 know, on the technical aspects and then probably looking
10 at some third-party contractor to do the outreach.

11 These were some of the recommendations that were
12 brought forward in the recent third-party evaluation of
13 that program that we brought before the Board a few months
14 ago. And this is the clear instance, unlike the
15 commercialization and local enforcement, where staff has
16 no problem in supporting a change, either on procedural
17 grounds or any other grounds. You know, the money is in
18 the plan for that. That plan isn't specific on how that
19 money should be apportioned, whether or not the RAC
20 Centers do it all themselves, or whether or not we hire a
21 third party to do part of it. We feel that's all
22 consistent with the previous direction provided in the
23 Five-Year Plan on this item.

24 So we would propose -- what we will be asking for
25 the Board specifically this month is for approval to

1 conduct a roundtable on this particular situation and
2 then, you know, prepare an agenda item later this year to
3 actually implement that recommendation, probably along the
4 lines that I've just discussed.

5 CHAIRPERSON PEACE: Because at the April Board
6 meeting when we heard the report on the effectiveness of
7 the RAC Tech Centers, it wasn't all that great. They said
8 they weren't being proactive. Neither Center had an
9 outreach program or a map to achieve their goals. They
10 weren't even communicating with each other. That the
11 Centers were basically unknown and underutilized.

12 So at this point, I don't think any of us would
13 feel comfortable allocating \$600,000 to these Centers for
14 04/05. I'm very glad to hear you're on top of this and
15 you'll be conducting stakeholder roundtables this summer.
16 Do you have any idea when that will be?

17 DEPUTY DIRECTOR LEE: I'll have to talk with
18 staff to see when that will occur. But probably in the
19 next month or two. Because we've got a number of things,
20 other workshops, we're conducting and starting to roll out
21 the whole Five-Year Plan. But we'll squeeze that in there
22 as well.

23 CHAIRPERSON PEACE: Okay. Any other comments?

24 I guess that takes us to the last item, Item E,
25 or Agenda Item 13. I think right now we'll take a short

1 break. Take a ten-minute break. And we'll be back at
2 about five to 11:00.

3 (Thereupon a recess was taken.)

4 CHAIRPERSON PEACE: Are we all ready to continue?

5 I'm really sorry I missed these speaker slips.

6 So we'll go back to the last item, Agenda Item 12. And I
7 believe Mr. Takallou wanted to speak.

8 DR. TAKALLOU: Thank you, Madam Chair. I'm Barry
9 Takallou of CRM Company. We are a tire recycling company
10 down in Compton, California.

11 Just a couple of comments from somebody who has
12 been out working this business for the last 15 years and
13 dealing the program in this state. You reviewed the
14 several different grant programs available, but there's
15 one objective. The objective is divert tire from
16 landfill, recycle them, and put them into good use. I
17 think the program the way it's structured made it very
18 difficult. The objective is simple.

19 One of the biggest problem I see in the Five-Year
20 Plan Program is there's no connection between programs.
21 The programs stand on its own. I'll give you one example.
22 I'm a tire recycler, thanks to the Waste Management Board
23 to the grant we received. We expanded our facilities,
24 thanks to the Waste Management Board for their good
25 marketing program, the RAC program is taking off. The

1 market is getting -- require more crumb rubber.

2 Now we need more tires. Believe it or not, in
3 this state, 25 million tires are generated. We're
4 scratching our head. Can we get enough raw material for
5 our next season commitments?

6 At the same time, you mentioned you have the
7 cleanup program, a program which is, in one instance, cost
8 \$175 per tire to do the cleanup. We usually as a tire
9 recycler, we like these tires. We can use it.

10 Let me make a statement. I can recycle any tire,
11 any size, with any age. Age doesn't matter. You know,
12 there's always say if the old tire's old, we cannot use
13 it. We can use it.

14 CHAIRPERSON PEACE: Even if it's dirty?

15 MR. TAKALLOU: Even if it's dirty.

16 CHAIRPERSON PEACE: That's what I've heard,
17 sometimes they're not recyclable because they're dirty or
18 old or broken down.

19 MR. TAKALLOU: We are -- actually, in one
20 instance we cleaned up a site in Ventura County last
21 summer. These tires have been sitting there for over 30
22 years. And we recycled them. That rubber is already part
23 of the asphalt in Ventura County. The chemistry of that
24 tire do not change. The requirement of the asphalt can
25 convert. The equipment advance, now we can clean it up

1 throughout our process. And some of my other colleagues,
2 my competitors have similar equipment. They can do it.

3 I'd like to see some sort of a connection, you
4 know. If you giving me grant to expand my facility but
5 don't give me the tires, if you're making a market, but
6 these tires recycler doesn't have the tires, you know,
7 please give us a chance. We want your tires.

8 These cleanup programs, we see the list. We call
9 the agency who received the contract and they say, "Yeah,
10 we call you." But we never receive that phone call. They
11 get excessive administration.

12 In the case of Ventura County, they had \$30,000
13 grant. There was left over. Their grant ran out. We
14 said, "Okay. We donate our services and disposal. We
15 finish the project free of charge." And I feel, like as a
16 stakeholder, that's my responsibility. We can donate so
17 much. But we didn't stop the job because they didn't have
18 the money. They said they can go apply next year for
19 another grant. I said no. You know, we take care of
20 this. We start a project, we finish.

21 And it should not -- I'm telling you in public
22 now, it should not be anywhere in this state cost more
23 than a dollar a tire from any condition, digging out of
24 the ground, more than a dollar to do the recycling. When
25 I'm hearing is \$100 a tire is unbelievable.

1 And please give us a chance. We need the tires.

2 I just talked to staff. And I keep talking to our
3 enforcement person, Mr. Steve Dollan. Every time he comes
4 to my site, I said, "Steve, did you find any tires?" He
5 said, "Yeah, I'm going to go and find some tires for you."

6 You know, that's really -- I like to see the next
7 Five-Year Plan, you know, we have more roundtable
8 meetings, which we have this afternoon, and another
9 roundtable of connection between these different programs.
10 You know, how we can connect different programs together.
11 There's not a connection point. Thank you very much.

12 CHAIRPERSON PEACE: Thank you. You made some
13 good points.

14 Next speaker, Mr. Harrington.

15 MR. HARRINGTON: Good morning, Madam Chair and
16 Madam Chair. I'm Mike Harrington from BAS Recycling.

17 We've been producing crumb rubber from the
18 recycling of scrap tires in California since 1989. Our
19 customer base for crumb rubber currently requires that we
20 process mostly highway vehicle truck tires. That's
21 because the requirement of our customers is for an
22 all-black crumb rubber material, and recycling passenger
23 tires has the white sidewall in it. It's looked at as an
24 imperfection in certain products. Certain areas it makes
25 no difference, but in some molding operations and some

1 things, it really does not allow us to recycle those for
2 certain customers.

3 We find ourselves in the position of being a
4 competitor with landfills for disposal of these highway
5 vehicle waste tires. They can -- tires are going to go to
6 their cheapest means of disposal. If it was a vacant lot
7 20 years ago and a stockpile, that was the cheapest way to
8 get rid of them. We outlawed that and said, "No, we're
9 not going to allow that." So they go to the next cheapest
10 means of the disposal, which is the landfill.

11 We are in the position of not having -- almost
12 parroting Dr. Takallou's remarks. We're in the position
13 of not having enough highway vehicle truck tires to
14 process. We're in a position of taking tires from other
15 states, other jurisdictions because they offer a higher
16 tipping fee than is available to somebody in California
17 that just wants to landfill them.

18 I believe it would be in the best interest of the
19 state of California to eliminate or ban waste tires from
20 the landfill. We would ask that staff check with the
21 stakeholders, look into what a ban of highway vehicle
22 truck tires, what kind of impact that would have. I
23 firmly believe there is enough recycling capability
24 available to take care of all the highway truck tires that
25 are generated each year. Our own facility, we need 30,000

1 tons annually, roughly 600,000 of them, or 3 million PTEs.

2 And I think that would also go toward one of the
3 goals of the California Integrated Waste Management Board
4 in directing waste and promoting its highest and best use.
5 And that's what we would like to see.

6 I hope I'm in front of the right Committee to do
7 this type of thing. Thank you very much for your time.

8 CHAIRPERSON PEACE: When we see there's still 8
9 million tires being landfilled, you're telling me there
10 are enough recycling capabilities for those 8 million
11 tires if you can just get them.

12 MR. HARRINGTON: No. What I'm telling you is for
13 highway vehicle truck tires that, yes, there is
14 adequate -- I know there is adequate capability based on
15 what's existing in, say, Northern California, talking to
16 people in my industry, and in Southern California where we
17 can't get them, that I feel very confident that a landfill
18 ban of highway vehicle truck tires would be a boom to tire
19 recycling. And we would be able to recycle all of those
20 tires.

21 CHAIRPERSON PEACE: Like I know down in San Diego
22 the tire hauler took the middles and stuff out of the
23 tires and then basically takes them to the landfill
24 because it was very cheap. Now I just heard that the
25 landfill is raising the tipping fee like \$50 a truckload.

1 And he said it's going to kill him. How can we then work
2 to hook up the things? You know, where a tire hauler is
3 usually taking them to a landfill, but now he wants to
4 take them somewhere else. We need to work on how to hook
5 that up then. How do we make it work?

6 MR. HARRINGTON: The way we make it work is
7 through the tipping fee. As long as a landfill can accept
8 tires -- I mean, their processing costs are next to
9 nothing. A tire --

10 CHAIRPERSON PEACE: Like I said, down in San
11 Diego they just raised the tipping. They didn't ban them,
12 but they raised them very, very high so to discourage
13 tires going to the landfill. So how do we tell this
14 hauler now instead of paying the exorbitant high fee to
15 dump them, where can we take them? I mean, why wasn't he
16 taking them to somewhere like Barry's recycling place or
17 yours? Why wasn't that already happening?

18 MR. HARRINGTON: An information disconnect
19 possibly, him not knowing where to take them. And at --

20 CHAIRPERSON PEACE: So we need to work on that.

21 MR. HARRINGTON: Yeah. At 35 to \$50 a ton -- I
22 thought San Diego was even higher than that. And we
23 haven't gotten that many tires out of San Diego.

24 The disposal fee to the person that's generating
25 the waste tire might be too low. I mean, there's a

1 consideration. What should they be paying to get rid of a
2 tire? Is 25 or 50 cents a tire reasonable? Or should it
3 be more like \$1, \$1.25 a tire? I don't know. That's why
4 I'm asking staff -- or you to direct staff to look into
5 this.

6 I mean, we're one little individual location in
7 San Bernardino. Barry's in Compton. We each have our own
8 set of criteria of what we're looking for. But I think
9 we'll both agree that the tipping fees now are
10 artificially low for a tire recycler. Look at any place
11 else in the country, and then if you look, you know, in
12 Canada, you know, it's laughable. And we have to compete
13 against not only, you know, out of state, but out of
14 country to sell the crumb rubber. I mean, what a travesty
15 if we get all these markets going and we drive all the
16 recyclers out of business. And you become the greatest
17 business for crumb rubber and it's all delivered from
18 out-of-state suppliers. We don't want that to happen, and
19 I'm sure you don't either.

20 CHAIRPERSON PEACE: Okay. Can you set up a
21 meeting with my office next time you're in town or
22 something and we can talk more about this.

23 MR. HARRINGTON: Would be delighted to.

24 CHAIRPERSON PEACE: That would be great.

25 And also, Sally, is this something else we could

1 maybe talk about at the tire conference or --

2 MS. FRENCH: Sure.

3 CHAIRPERSON PEACE: I think they bring up some
4 good points here.

5 MR. HARRINGTON: Thank you.

6 CHAIRPERSON PEACE: Thank you.

7 And I just want to remind you that this item,
8 this Agenda Item 12, will be going to the full Board and
9 be heard at the full Board next week.

10 That brings us to the last item, Item E or Number
11 13, Consideration of Whether the Wilson Beebe and Valley
12 Ford Briggs Waste Tire Site Meet the Criteria for
13 Negotiating Remediation, an Update on the Progress of All
14 the Sonoma Waste Tire Sites Towards Meeting the Board's
15 Conditions for Negotiated Remediation.

16 DEPUTY DIRECTOR LEE: Madam Chair, Albert Johnson
17 and Bob Fujii will make the staff presentation on this
18 item.

19 MR. JOHNSON: Good morning, Madam Chair and
20 members of the Committee.

21 This Item Number 13, consideration of the Wilson
22 Beebe and Valley Ford or Briggs site, for negotiated cost
23 recovery, I'll start with the history.

24 Last July, there were eight sites in Sonoma
25 County -- waste tire sites that were brought before the

1 Board, and at that time they were placed into three
2 categories. The tires on all these sites were used for
3 erosion control, and we learned that the sites which ended
4 up in Group 1 -- there were five -- that the Resource
5 Conservation District had authorized the placement of
6 these tires for erosion control.

7 Two of the sites, the Wilson Beebe, the Valley
8 Ford site, were placed in Group 3, because at that time it
9 was unclear whether or not the RCD for these sites, which
10 was a different Resource Conservation District than the
11 other five sites, was involved with the placement of these
12 tires.

13 Since that time last year, we've received a few
14 letters from the Gold Ridge RCD and Mr. Briggs indicating
15 that they did have authorization from the RCD to place
16 these tires as erosion control. It seems at that time
17 that we always intended to come back to the Board with
18 these two sites and seek the Group 1 status that the other
19 five sites have, because now we have the documentation to
20 show that the tires were placed in the same way.

21 So this item presents moving the two sites,
22 Wilson Beebe and Valley Ford or Briggs, into Group 1. It
23 will be staff's recommendation at the Board meeting that
24 we select Option 2, which provides them with the cost
25 recovery after -- negotiated cost recovery after the Board

1 removes the tires from the site. And the property owner
2 will be responsible for permitting, design of the erosion
3 control method that will be used, and implementation of
4 construction of the erosion control.

5 For Mr. Briggs' site, we've reached the point now
6 where it's just about ready for remediation. We've
7 received a set of erosion control plans that were
8 developed by the Natural Resources Conservation Service,
9 and the site could possibly be done this summer.

10 With that, I'll turn it over to Leandra Swent
11 from the South Sonoma County Resource Conservation
12 District, and some of the property owners are here that
13 would like to speak on this item.

14 CHAIRPERSON PEACE: Okay. Before we go any
15 further, while this Committee can't speak for the
16 remaining Board members, today's meeting does provide
17 Mr. Briggs and the RCD and the members of this Committee
18 an opportunity to see if we're on the same page as to the
19 kind of documentation we would need in order to give
20 Mr. Briggs' case the consideration that he is requesting.
21 That is, his financial hardship as it relates to cost
22 recovery.

23 So today there are a couple of things. One, the
24 staff is giving their brief recommendation and
25 presentation and your recommendation. And so I guess you

1 feel they've made a sufficient showing as to why they're
2 eligible to be moved up into Group 1.

3 Second, then, as we're going to do next, I'd like
4 to hear from Mr. Briggs and those assisting him on the
5 issues. Specifically, I think it would be very helpful if
6 Mr. Briggs and Leandra could talk to this Committee --
7 would walk this Committee through the documentation and
8 other information that you have for us so that we can get
9 a sense of what you intend to present before the full
10 Board. So at least this will give the members of this
11 Committee an opportunity to let you know whether or not it
12 appears that we're on the same page. And if not, how we
13 might be able to get there by the time that the Board
14 meets next week.

15 MR. JOHNSON: Do you have any questions about the
16 item before Leandra gives her presentation?

17 CHAIRPERSON PEACE: Go ahead and let Leandra give
18 her presentation.

19 MS. SWENT: Good morning. I appreciate the
20 opportunity to bring forward this information to you, and
21 we don't have everything together yet. We've been working
22 with Steve Levine, who has given us a real indication of
23 what you will need. And we're going to try to get that to
24 you before the end of the week, so you'll have it in
25 advance of next week's meeting.

1 Our consultant -- we had a figure for the
2 restoration costs, which we've given staff, which included
3 permitting, the CEQA cost that had been expended to date
4 to do the studies on the property for endangered species
5 and endangered plants and that sort of thing, and cultural
6 resources which we have to do under the CEQA requirements.

7 That information was not broken up enough for
8 what I think you want to see. So we're going to be
9 breaking it down more. The current estimate is around
10 \$292,000 for the total work that's been done to date and
11 the restoration estimate. But we're only going to be able
12 to give you an estimated cost for the restoration.
13 Naturally, until the work is completed, we won't know the
14 exact cost. And that's going to be true from your
15 perspective on the tire removal also, I'm sure.

16 A couple of things, we do have a set of plans. I
17 don't know if you want me to go over those with you. The
18 plans are pretty much completed. Those plans will be
19 submitted to the permitting agencies. We are in a
20 situation where the Regional Water Quality Control Board
21 needs a 30-day hearing window for people to comment. And
22 we're in that window at this point. So we won't be able
23 to get a permit from them for at least 30 days.

24 But we believe that this project will be begun in
25 September, and the Fish and Game drop date is October 15th

1 when we have to be out of the creek channel. They can
2 extend that until October 31st if there's no rain during
3 that -- they can extend it on a daily basis.

4 As I understand, one of the lengthiest components
5 will be the removal of the tires. I'm not sure how many
6 weeks that will take. Maybe Albert can remind me. I
7 think it's three weeks. Approximately three weeks just to
8 remove the tires from the site. And then the restoration
9 will probably only be a couple weeks' worth of work.

10 So we do have the plans. They will go in for
11 permit review at this point in time. We believe they'll
12 go through without any problem, because they were designed
13 by the Natural Resources Conservation Service, which has a
14 standing reputation with all the other agencies. They
15 usually review their permits without any comment -- or
16 their plans without any comments or changes because
17 they've worked together so many times before, they
18 understand what the agencies want and require in a project
19 setting. So we expect that to go through without any
20 hitches at all.

21 We have moved forward with the Briggs site,
22 mainly because of the fact that they don't have the
23 endangered species concern that the other sites in Sonoma
24 do have. And so, again, we firmly believe that we can
25 have permits in place and have this project completed by

1 the end of the summer, late summer.

2 The biggest holdup, of course, is whether or not
3 there will be funds to pay for the tire removal. We do
4 have grant funding locked in for a majority of the
5 restoration cost. We have a grant that Mr. Briggs has
6 applied for that we'll know in the next couple weeks
7 whether or not he will be funded through that grant. He
8 has had top ranking. We expect he'll be funded. That
9 particular grant is a 70/30 cost share. He'll have to pay
10 30 percent. At this point the grant request is for
11 \$100,000.

12 We are also looking into other grant funding
13 through other grants that the Gold Ridge RCD has in place
14 already. And I will let Joe talk about that. And then we
15 can put that information together in a solid document to
16 bring to you within the next few days.

17 The other thing I wanted to let the Board know,
18 we've been in a lot of discussions with Steve Levine and
19 Jim Lee and Mark Leary about the cost recovery and what's
20 required. And Mr. Briggs will tell you what he's willing
21 to give you as far as his financial status goes. He has
22 spoken with Steve Levine, and I've also reiterated to him
23 what your staff has suggested would be the best
24 information for him to bring forward to you. I'm leaving
25 it up to his judgment as to what he's willing to share

1 with the Board, and I think he's willing to share a lot of
2 information about his private financial situation. But
3 that's going to be solely up to him.

4 The other thing that I wanted to let you all
5 know -- and I will be bringing you more information about
6 this later. I'm going to do some research on it. But
7 it's been brought up a couple times in our conversations
8 that it's very difficult for this Board to put this money
9 forward in improving properties and using public funds to
10 improve private property.

11 And I want to let you know that all the other
12 agencies in the state of California, Fish and Game,
13 Regional Water Quality Control Board, and EPA, there's
14 also a group, CALFED, which is a bunch of different state
15 and federal agencies who provide grant funds, and they all
16 provide grant funds to improve private properties to do
17 restoration projects. And some of them pay 70 percent of
18 the cost, and some of them pay 100 percent. Fish and Game
19 typically will pay 100 percent of a grant fund to improve
20 properties.

21 And I want to give you an example. Gold Ridge
22 recently received a \$50,000 grant to do a road assessment
23 on private property, and there was several landowners
24 involved in this road assessment. And the road assessment
25 was due to the fact these roads were eroding and dumping

1 sedimentation into the local watershed. And Fish and Game
2 was concerned about that watershed and the water quality
3 because of the coho salmon, which you may know is
4 threatened, listed federally as threatened. They did
5 grant Gold Ridge \$50,000 to do the assessment and since
6 granted them \$500,000 to go in and repair those roads on
7 private property. And they will be paying 100 percent of
8 that restoration.

9 So I just want to bring that information forward
10 to you so that you understand that other agencies do grant
11 these kinds of moneys and large amounts of moneys in the
12 public interest, even though it's done on private
13 property. And it does, in general, benefit the public
14 interest by improving water quality, which is what these
15 projects will do in the end.

16 To date, the cost of the restoration looks like
17 the removal of tires -- your contractor has estimated
18 \$600,000, and we estimated about 292,000 for the
19 restoration.

20 And we will go forward. Mr. Briggs is willing to
21 go forward with all those costs related to CEQA, the
22 permitting, and the restoration. And as my letter
23 indicated to you, we're really hoping that the Board will
24 seek no cost recovery for the tire removal and cover the
25 entire cost. We're willing to cover the entire cost of

1 the restoration, no matter what it ends up being, because
2 it is an estimate at this point. And the removal of the
3 tires is also an estimate.

4 CHAIRPERSON PEACE: When you say "we," is that
5 the Resource Conservation District?

6 MS. SWENT: The landowners and the RCD through
7 grant funding.

8 And I think that's all I had to say. Any
9 questions, I'm very happy to answer.

10 CHAIRPERSON PEACE: I don't think we have any
11 questions.

12 Does Mr. Briggs want to speak?

13 MR. BRIGGS: Good morning. My name is Ernest
14 Briggs. I want to thank the staff. They've done a
15 wonderful job for us. And Mr. Fujii and Mr. Johnson,
16 thank God, came to the sites on April 21st. And they
17 looked at it, and they could see what the tires done as
18 far as the erosion control is concerned. They did their
19 job.

20 The state and the district -- Conservation
21 District, the Gold Ridge, Leandra, and the Joe Pozzi here
22 involved Gold Ridge District. My father was involved with
23 that for years, and the tires done their job as far as
24 erosion water control. These gentlemen can vouch for
25 that. They were there. They saw it.

1 The other thing is that we are ready now to go
2 forward, thanks to all the assistance from the Gold Ridge
3 and from Leandra's group. We have covered every base we
4 possibly can to complete this job to everyone's
5 satisfaction. We ask that we are moved from Group 3 into
6 Group 1 so we can possibly have some assistance in the
7 cost.

8 We basically do our business in cash. We've had
9 a lien on the property from the IRS from a death tax,
10 estate taxes. They liened us. So it's almost impossible
11 to have funding to operate the ranch. Everybody is scared
12 to death of a lien on your property. So it makes it very
13 hard to go forward.

14 I discussed it with Mr. Levine just a few minutes
15 ago, because I wanted to understand what the lien in your
16 eyes and his eyes really means. And as I understand it,
17 the loan will stay there until the property may be sold in
18 the future. But, still, when you have bankers and
19 financial people look at this, they don't like it. They
20 say, "no. We're not interested in getting involved with
21 the state or the federal government."

22 The other thing was the funding from RCD. They
23 have gone to great extent to try to help us in that
24 respect. We're willing to cover as much of that cost as
25 we possibly can. Hopefully, we can borrow the money to do

1 it. But the big cost as we see it is the removal of the
2 tires. We have no experience at that. You people are the
3 ones that have the experience as far as the cost,
4 transportation, where they go. You know all the rules and
5 regulations. As far as the conservation and the erosion
6 control, our people at the RCD, they have the experience
7 and the know-how to do that.

8 So I feel we're willing to do our part to come
9 forward. And what we're asking for is the assistance from
10 your people to grant us the funds to remove the tires.
11 You just heard the mention of around 290- to 300,000 in
12 the ballpark, and we are going to be putting up some of
13 that money. I'm sure we are, you know. This money don't
14 grow on trees. And I'm sure we're going to have to come
15 up with some of that money.

16 Now, as far as my financial situation, it's been
17 pretty well strapped. We've worked on a cash basis. We
18 borrowed no money. I have with me today three statements
19 showing that we are in a minus 25,000 to, I think, a high
20 of \$30,000 a year for three years in a row. We've used up
21 all our funds. And we would have to go and try to borrow
22 money in order to cover our part of the erosion control.

23 I'm willing to provide an in-depth financial. If
24 you want to know, I'm willing to provide that information.
25 I have, like I say, three statements today. And if not

1 prepared properly, but I have it. I talked to Mr. Levine
2 about it, and he made the suggestion that I go back. My
3 accountant over the weekend -- 4th of July and all that.
4 So he suggested that I go back and get that in proper form
5 to you and so you'll have it at your next meeting.

6 And I want to thank you can for hearing my side
7 of the story. And hopefully everything will work out.
8 But we are ready to go forward. Thank you very much, and
9 thank you, Mr. Fujii for coming.

10 CHAIRPERSON PEACE: Thank you, Mr. Briggs. We
11 really appreciate all your cooperation in this matter.

12 What I want to make sure is that for the next
13 Board meeting -- because we do want to take this into
14 closed session and discuss the cost recovery portion of
15 this. We'd like to get moving on this. So we do want to
16 make sure that by the end of the week -- and Leandra can
17 help you with this, I'm sure. We want a list and a break
18 down of the cost incurred so far and the cost of the
19 restoration to the best your ability, the costs that you
20 believe you're going to have to the best ability that you
21 can give us those. We realize it might change once they
22 get in there to do the project, but your best estimate
23 today.

24 Also, you said you had three years. Did you mean
25 three years of tax returns?

1 MR. BRIGGS: Yes.

2 CHAIRPERSON PEACE: So we have the three years of
3 tax returns. So the three years of tax returns, an asset
4 declaration. Also somewhere in there the amount of the
5 state tax lien. Is there somewhere in there that shows
6 the lien on your property and how much it is?

7 MR. BRIGGS: Yes. Right there there's a balance
8 of 45,000 from the IRS, estate taxes.

9 CHAIRPERSON PEACE: And you said that is already
10 a current lien against your property?

11 MR. BRIGGS: Yes, ma'am.

12 CHAIRPERSON PEACE: Also if you can give us a
13 list of any other grants that you will be receiving or
14 intend to receive.

15 MR. BRIGGS: Okay. Leandra will help me with
16 that.

17 CHAIRPERSON PEACE: So we have all those things,
18 Leandra, by the end of the week, then the Board should
19 have what they need to consider this at the closed session
20 at the Board meeting next week. Okay.

21 Thank you.

22 MR. BRIGGS: Thank you very much.

23 CHAIRPERSON PEACE: We had another speaker, Joe
24 Pozzi.

25 MR. POZZI: Good morning. I'm the District

1 Manager for the Gold Ridge Resource Conservation District,
2 which is a counterpart to Leandra's district, and Leandra
3 has taken a lead on all these programs.

4 But I just wanted to step up and introduce myself
5 and also reiterate some of the things that Ernie and
6 Leandra said about the issue of these tires were put in
7 there for an erosion control system by a federal agency at
8 the time. And, you know, we're looking for your
9 assistance.

10 And as the District Manager of the RCD, we have
11 worked hard to secure grants to assist Mr. Briggs in the
12 sense of the restoration and the engineering and the
13 technical support of the natural resources out there after
14 the tires are removed. But we definitely need that
15 assistance from your Board to take those tires out.

16 And we are on a time line with our grants. When
17 we get awarded grants from the different agencies, they
18 are set in time frame. And it fits for us to be able to
19 get those done and implemented and use those funds from
20 these grants this fall. If we can't use them for this
21 project, unfortunately, we'll probably have to take them
22 and use them somewhere else, because we usually don't get
23 extensions from these grant agencies to use the funds in
24 other places. That's something that I think is very
25 important, that we look at that time line as you consider

1 this project for this fall.

2 That also goes along with the permits that we're
3 securing. Sometimes they have a sunset on them also where
4 if we don't implement it at a certain time, we have to go
5 out and redo the permit process. And that's a timely and
6 costly project.

7 So we're encouraged with the effort that we have
8 from all the parties involved, and we just look forward to
9 completing this and having a project on the ground that is
10 complete.

11 So, again, the main thing I wanted to say is
12 these were in there for erosion control and put in there
13 by the technical advice of the Natural Resource
14 Conservation Service and other agencies. So it puts the
15 landowner in a hard spot. Twenty years ago or 50 years
16 ago, they put them in there from a governmental agency
17 asking them to, and now they're asked to be taking them
18 out. We look for the financial support as you consider it
19 next week. So thank you very much.

20 CHAIRPERSON PEACE: Thank you.

21 Mr. Silacci.

22 MR. SILACCI: Thank you, Madam Chair, members of
23 the Committee. Don Silacci, landowner in Lakeville, runs
24 the dairy operation on 165 acres with a waste tire pile
25 that my father put there in the '50s. I guess this

1 meeting to a lot of us landowners in this area is really
2 important today, because it's going to give us some
3 indication of what's going to happen to the rest of us
4 down the road.

5 In here earlier I was listening to this gentleman
6 talk about his need for tires. As I saw him leave, I went
7 out and I talked to him. And he seemed pretty interested
8 in what I had to say and was interested enough to make the
9 suggestion that he and Ms. Peace and I meet on our
10 property and look at the sites and see what we could do
11 about it. So I was kind of encouraged talking to him.
12 And he threw some figures at me that sounded more
13 reasonable than what the Waste Board has to say.

14 So in my mind, it's probably worth setting that
15 meeting up and looking at that, if the Waste Board would
16 be interested in taking that opportunity and taking a look
17 at it. So I don't know. It's something for you to think
18 about. And I would hope that you would also look at that
19 option.

20 So I just want to say thank you for your time.
21 And I'm looking -- I'm not looking forward to it, because
22 we've been in so many meetings and everything over the
23 last twelve years. But I want to see this progress. I
24 want to get this done within the next year, I hope.

25 The other thing -- it's kind of funny. But my

1 son, he's a partner in the business with me. And he said,
2 "Dad, I hope you get this done with before you die."

3 CHAIRPERSON PEACE: Thank you.

4 We want to make progress, too, and see these
5 piles cleaned up as soon as possible. But what I do want
6 to remind everyone is whatever we decide in the closed
7 session meeting next week isn't necessarily setting a
8 precedent for what's going to happen to the other property
9 owners. We're looking at each one of these on an
10 individual basis. Okay.

11 I think we had one more speaker, Mr. Ahlgrim.

12 MR. AHLGRIM: Good morning, Madam CHAIR and
13 members. My name is Russell Ahlgrim. I'm actually Group
14 2. But I talked to Mr. Levine this morning, and he told
15 me it wouldn't be bad for me to get up and say a couple
16 words.

17 As you well know, we've been singled out. We're
18 a different group. But we've been with this program since
19 the outset. We've been cooperating fully all along in
20 this matter and been asking all along to be put in Group
21 1, just like Group 3 is being asked to be put into Group
22 1. And we would like that consideration.

23 And like all the other ranch owners, this is a
24 terrible economic hardship on us just as much as them.
25 And we look forward to this getting done before I die.

1 I'm older than Don, so I don't have as long to wait. But,
2 obviously, it's been a circle for us. We've been going
3 round and round and round, and it's difficult. It's
4 extreme. And I'm sure the Board is aware that the more
5 difficult it gets, the less it seems like it's going to be
6 resolved.

7 And especially being Group 2, so to speak. We're
8 out on the wing. Nothing gets told to us. We don't have
9 the opportunity to go forward, it seems. So I would like
10 to request at this time for some consideration and maybe
11 be put into Group 1 so that we can again resolve this at
12 the same time.

13 CHAIRPERSON PEACE: I don't believe we can do
14 that today.

15 But, Steve, you'll have further conversations and
16 discussions?

17 STAFF COUNSEL LEVINE: Yes. And he's provided
18 some written documentation for justification, and we can
19 evaluate that and do a future meeting for to Board's
20 consideration.

21 CHAIRPERSON PEACE: Okay.

22 MR. AHLGRIM: Sure. Thank you.

23 CHAIRPERSON PEACE: THANK. Any other speakers?

24 COMMITTEE MEMBER MOULTON-PATTERSON: Well, I just
25 want to thank everyone. I know all of you are very, very

1 tired of going to meetings. And at our July 2003 meeting,
2 we all felt we reached an agreement, at least moving
3 toward an agreement on a ten-year problem toward
4 resolution of this. I still feel like that. And I
5 sincerely hope that we -- while I'm on the Board, that we
6 could see progress in this. So I hope it all works out.

7 And I, at this time, would like to -- Madam
8 Chair, the consideration before us right now is to include
9 the Wilson Beebe and Valley Ford Briggs waste tire site
10 that they meet the criteria for negotiated remediation.
11 And I'd like to move that, that we would recommend it to
12 the full Board. Is that what we're doing.

13 CHAIRPERSON PEACE: 2004-205.

14 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. So
15 I'll move Resolution 2004-205.

16 CHAIRPERSON PEACE: I'll second that.

17 COMMITTEE MEMBER MOULTON-PATTERSON: To send it
18 to the full Board.

19 CHAIRPERSON PEACE: I guess you can just
20 substitute the previous roll on that. And that will move
21 this item to the full Board next week. Thank you.

22 COMMITTEE MEMBER MOULTON-PATTERSON: Thank you.

23 CHAIRPERSON PEACE: Are there any other public
24 comment or anything anybody would like to say?

25 Okay. I guess this meeting is adjourned.

1 (Thereupon the California Integrated Waste
2 Management Board, Special Waste and Market
3 Development Committee adjourned at 11:53 a.m.)

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1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing hearing was reported in shorthand by me,
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the
8 State of California, and thereafter transcribed into
9 typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said hearing nor in any
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 19th day of July, 2004.

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23 TIFFANY C. KRAFT, CSR, RPR

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